STATE/INE JCE/MC (DIA) CIA/HINCC SWS HEA TREAS HEC/S SOO HID CES PAGE 1 OF & PAGES THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE 3 DECEMBER 1976 1.5 (c) 1.5 (c) 57 - 8 PRESS OF 1 DECEMBER 1976

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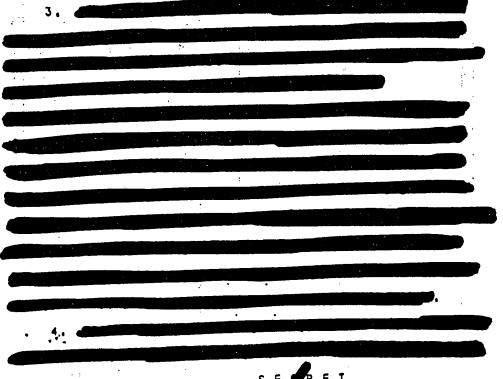
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Hon)

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ANNOUNCED THE RESIGNATION OF ALVARO PUGA AS DIRECTOR OF PUBLIC AFFAIRS AND HIS REPLACEMENT BY GUGO ROSENDE ALVAREZ, SON UF THE LANYER WHO HAS RISEN TO PROMINENCE RECENTLY AS A RESULT OF HIS SUCCESSFUL DEFENSE OF THE GOVERNMENT'S POSITION IN IMPORTANT CASES BEFORE THE SUPREME COURT.)



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SECRET

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BATTLE TO GUZMAN AND ROSENDE SR. OVER THE DECISION TO RELEASE ALL THE PRISONE'S HELD UNDER STATE OF SIEGE PROVISIONS.

MAINTAINED THAT CONTRERAS WAS TOTALLY AGAINST THE POLICY BECAUSE AFTER THE RELEASE, IT HOULD BE DIFFICULT TO JUSTIFY CONTINUANCE OF THE STATE OF SIEGE.

A. IN LATE NOVEMBER.

THAT ACCORDING TO CONTRERAS

WAS STRONGLY OPPOSED TO THE PRISONER RELEASE, BUT HE FINALLY

ACCEPTED THE PRESIDENTIAL DECISION.

В.

THAT FOLLOWING THE RELEASE

CONTRERAS MAINTAINED THAT CERTAIN CIVILIAN ADVISORS HAD

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OPPUSED THE MEASURE. BUT HE DID NOT INDICATED HIS PERSONAL FEELINGS.

AGREED WITH THE DECISION,

MAINLY BECAUSE THE SECURITY SITUATION WAS SUFFICIENTLY UNDER

CONTROL TO ALLOW THEIR RELEASE AND BECAUSE THE GOVERNMENT

LACKED SUFFICIENT EVIDENCE TO CONVICT THEM IN COURT. THE

DIFFERENCE IN CONTRERAS' ATTITUDE PRIOR TO AND FOLLOWING

THE RELEASE IS PROBABLY AN INDICATION OF HOW HE ADJUSTS TO

CHANGED CIRCUMSTANCES, SINCE, ACCORDING TO

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THE RELEASE WAS WELL RECEIVED IN HIGH ECHELONS OF THE ARMY. WITH THE CONSENSUS BEING THAT IT SHOULD HAVE OCCURRED EARLIER.)

7.

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THAT AMUNATEGUI HAD BEEN SENT BY
PINOCHET TO TRY TO CONVINCE PRESIDENT HUGO BAN ZER
TO AGREE TO A CUMMON PUSITION REJECTING A PERUVIAN PROPOSAL
FOR BOLIVIA'S CORRIDUR TO THE SEA. IN LATE NOVEMBER.

THAT LETCH HAD

RELINGUISHED HIS ADVISOR, AMUNATEGUI, TO PINOCHET IN THE HOPE THAT AMUNATEGUI WILL BECOME THE NEXT MINISTER OF FOREIGN AFFAIRS.)

PINO CHET'S CONFIDENCE ARE GENERALS CORVARRUBIAS; CESAR

B E N A V I D E S, MINISTER OF INTERIOR; AND HERMAN

B H A D Y, MINISTER OF DEFENSE. COMMENT: BRADY'S

STAR HAS DECLINED SOMEWHAT RECENTLY.) OTHERS ARE COLONELS

CONTRERAS; CARLOS M E D I N A, DIRECTOR OF THE ARMY HAR

ACADEMY; RENE E S C A U R I A 2 A, SECRETARY TO THE JUNTA;

AND ENRIQUE V A L D E S, UNDERSECRETARY OF FOREIGN AFFAIRS

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11.

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12. GUZMAN HAS SEEN LOBBYING FOR THE INCLUSION OF CIVILIANS IN THE MILITARY POLITICAL ADVISORY GROUP (ASEP). SPECIFICALLY. HE HOULD LIKE THE FIVE-MAN GROUP TO BE EXPANDED TO INCLUDE HIMSELF, ROSENDE, SR., AMUNATEGUI AND SERGIO FERNANDEZ LARRAIN. COMMENT: THE COMMON DENOMINATOR AMONG THESE CIVILIANS IS THAT THEY ARE ALL FOLLOWERE OF FORMER PRESIDENT JORGE ALESSANDRI.) THAT HE HOULD PASS THE SUGGESTION ON TO PRESIDENT PINOCHET, BUT AS YET THERE HAS BEEN NO REPLY.

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